

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2312 - SB 2310

March 30, 2009

SUMMARY OF BILL: Specifies funeral or burial merchandise as a portion of a pre-need funeral contract. Expands the definitions of “pre-need sales agent” and “pre-need seller” to include individuals who engage in conduct requiring registration to sell pre-need funeral contracts. Authorizes the assignment of contract benefits to a funeral establishment. Creates an inactive license status for home inspectors and requires all home inspectors who wish to re-activate their license to do so within 24 months or to provide proof of completion of 32 hours of continuing education within the 24 months immediately preceding their application for re-issue. Requires that inactive licenses be renewed every two years. Deletes requirement for location managers at collection services to renew their location manager licenses prior to expiration or risk revocation. Removes the requirements for real estate appraiser trainee licensure and requires trainee certification.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – This bill will affect four regulatory boards and commissions. The Board of Funeral Directors and Embalmers will incur a one-time expense of \$400 for the mailing of notice to the currently licensed establishments. As of June 30, 2008, the Board of Funeral Directors and Embalmers had a positive balance of \$177,133.45.

The Home Inspectors Licensing Program will incur a decrease in revenue and a decrease in expenditures for renewal of licenses that have been placed in inactive status. The net impact of these decreases is estimated to be not significant. As of June 30, 2008, the Home Inspector Licensing Program had a negative balance of \$5,429.95.

The Collection Service Board will incur a decrease in revenue estimated to exceed \$2,500 from licenses that are revoked for non-compliance to regulations. As of June 30, 2008, the Collection Service Board had a positive balance of \$269,149.09.

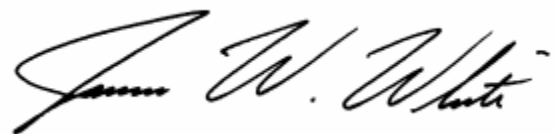
The Tennessee Real Estate Appraiser Commission will incur an increase in state expenditures for the certification of appraiser trainees estimated to be not significant. As of June 30, 2008, the Real Estate Appraiser Commission had a positive balance of \$155,604.43.

Assumptions:

- Pursuant to Tenn. Code Ann. § 4-3-1011, all regulatory boards are required to be self-supporting over a two-year period.
- The Board of Funeral Directors and Embalmers will be required to mail notice of the changes in statute to 550 establishments at an estimated cost of \$380.50 [\$100 envelopes + \$231 postage (\$.42 x 550) + \$49.50 postal service charges (\$.09 x 550)].
- The Home Inspectors Licensing Program will incur a decrease in revenue for those licensees who place their license on inactive status and do not renew within the two-year period. The decrease in revenue is estimated to be off-set by the decrease in state expenditures for the reduction in processing of license renewals.
- The Collection Service Board will incur a decrease in revenue for those location manager licensees who have their licenses revoked due to not meeting the requirements to remain licensed. This decrease in state revenue is estimated to exceed \$2,500 (50 licensees x \$50 renewal fee).
- The Real Estate Appraiser Commission will incur a decrease in revenue from those trainees who are no longer required to be licensed. There will be an increase in state expenditures for the Commission to remove the trainees from the licensure program and establish a certification program. This increase in state expenditures is estimated to be not significant.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

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